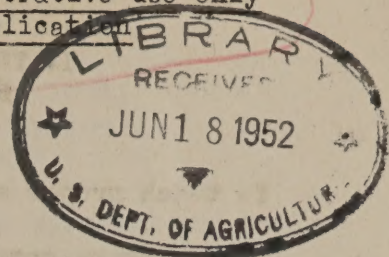


UNITED STATES DEPARTMENT OF AGRICULTURE

24.5. Extension Service,
Washington 25, D. C.



3 OBJECTIVES OF FARM ACCOUNT WORK 1/

"... In 1949 farm management workers in the North Central States listed a total of more than 20 objectives of their various farm record projects. These objectives fall into four major classes: (1) Aids or services to the individual farmer who keeps the record; (2) Sources of information for use of extension specialists in farm management, other specialists, and county agents; (3) Sources of basic and supplementary data for farm management research; and (4) Sources of data for resident college teaching..." (taken from "Farm Record Analysis in the Extension Program - North Central States," October 1950).

The following eight objectives represent a breakdown of the first two objectives listed above, and a consolidation of a much longer list of objectives presented in State reports at the March 1951 conference, as they pertain to extension work. (See pages 2-6.)

1. To encourage and assist farmers in keeping farm records - by making books available, and giving instruction in how to keep them.
2. To help farmers summarize and study their records - by teaching them how to compute and apply the important factors of analysis, and how to use farm record information for various business purposes.
3. To make an individual business analysis for farmers - by summarizing groups of records and preparing reports which compare an individual's results with appropriate group averages, or other standards.
4. To provide an accounting service for farmers - by helping to promote and organize "facilities" through which a farmer might obtain such service on a fee basis.
5. To obtain current farm management extension data - for use in building programs, meetings with farmers, and for general distribution.
6. To keep extension workers abreast of changes in farming as a business - for use in relating improved practices, new techniques, etc., to the farm business as a whole.
7. To locate farms suitable for demonstration purposes - for use in connection with farm meetings, farm management tours, news stories, etc.
8. To provide working material for research and teaching - for use in short courses for county agents, vo-ag teachers, etc., and for use by resident instructors and research workers at the college of agriculture.

1/ Prepared for discussion at the North Central Farm Management Extension Committee meeting, April 14-16, 1952.

I. TO ENCOURAGE AND ASSIST FARMERS IN KEEPING FARM
RECORDS - BY MAKING BOOKS AVAILABLE, AND GIV-
ING INSTRUCTION IN HOW TO KEEP THEM

To teach proper and practical methods of farm accounting.

To encourage more farm families to keep suitable farm financial records ...

To encourage and assist farmers in keeping a record of their business and in the analysis of that business for the improvement of their long-time financial returns ...

To encourage farmers to keep accurate and complete records.

To teach basic principles of accounting to farm people.

II. TO HELP FARMERS SUMMARIZE AND STUDY THEIR RECORDS - BY
TEACHING THEM HOW TO COMPUTE AND APPLY THE IMPORTANT
FACTORS OF ANALYSIS, AND HOW TO USE FARM RECORD IN-
FORMATION FOR VARIOUS BUSINESS PURPOSES

To enable the accounting farmer to determine his earnings, income and expense for various parts of his business; and crop and livestock production; and to furnish information for income tax returns, credit statements, and settlement of estates; to encourage better business practices.

To teach and encourage farmers to analyze their farm business and use the information in the operation of the farm.

To encourage farm families to make effective use of farm financial production, and consumption records in determining problems for managerial actions which are generally based on a much wider range of information than contained in the records.

To encourage and assist farmers in keeping a record of their business and in the analysis of that business for the improvement of their long-time financial returns ...

Develop record keeping and summarizing techniques that will be of value to other group leaders, and individual farmers, in the keeping and analyzing of farm records.

To help farmers analyze their records for use as a tool in farm reorganization.

To demonstrate and encourage the use of analytical procedure which busy farmers can use to appraise the effectiveness of management programs, measure progress, and plan future programs.

To familiarize farmers with methods of compiling data needed to compute net farm profit, and to organize such data for future reference in support of their income tax reports.

III. TO MAKE AN INDIVIDUAL BUSINESS ANALYSIS FOR FARMERS - BY
SUMMARIZING GROUPS OF RECORDS AND PREPARING REPORTS
WHICH COMPARE AN INDIVIDUAL'S RESULTS WITH APPROPRIATE GROUP AVERAGES, OR OTHER STANDARDS

To provide standards that the farmer may use to compare his earnings and various factors affecting earnings with the results obtained by other farmers using similar resources.

To provide contrasts between efficient and inefficient practices.

To provide current standards of performance for all farmers interested.

To provide the cooperators with an analysis of their business and assist all farmers with their farm management problems.

Furnish aids and services to farmers which will indicate possibilities of making more money; i.e., to increase gross receipts ...

Service to individual cooperating farmers.

IV. TO PROVIDE AN ACCOUNTING SERVICE FOR FARMERS - BY
HELPING TO PROMOTE AND ORGANIZE "FACILITIES"
THROUGH WHICH A FARMER MIGHT OBTAIN SUCH
SERVICE ON A FEE BASIS

This is the only objective listed which is not supported by earlier statements. It has been included in order to raise the question as to whether we have any responsibility to help farmers organize self-supported accounting services similar to many other services that they now have, such as cow-testing associations, spray rings, freezer locker plants, etc. Will the needs for accurate records for farm business purposes, income tax reports, landlord-tenant settlements, social security claims, etc., in the future become important enough in the minds of farmers to make them want to cooperate in hiring a person to perform certain accounting services for them?

V. TO OBTAIN CURRENT FARM MANAGEMENT EXTENSION DATA - FOR USE
IN BUILDING PROGRAMS, MEETINGS WITH FARMERS,
AND FOR GENERAL DISTRIBUTION

To obtain information on physical inputs and returns, and to determine labor and machinery rates for use in farm planning and budget analysis.

To provide information for planning sound State and county extension programs, for determining proper agricultural policy, and for making equitable tax plans.

To provide the agricultural economics and extension staffs with current basic data relative to the profitableness of different types of farm organizations and for use: (a) In general extension meetings and farm planning; ...

Provides current and historical data and trends and examples for use in teaching farm management principles.

Supplies the county agent, vocational teacher or veteran instructor with local resources of leadership, facts and demonstrations for use in educational programs.

To develop fundamental principles underlying the efficient organization and operation of the farm business for dissemination to all farmers in the State.

To provide information on changes taking place in the organization, operations and earnings of farms over time.

Determine factors affecting farm profits.

Obtain basic physical and financial input - output data under conditions of actual farm operation.

Provide teaching and extension material.

Determine changes that take place in farm organization and farm practices.

Obtain information on personal and household expenditures.

Furnish sources of teaching material for use of extension specialist in farm management, other specialists, county agents, district supervisors, agricultural teachers, S.C.S. farm planners, and others.

Local demonstration material for use by local leaders and for general extension meetings. This includes demonstrations on farms of cooperators as well as record material for other types of meetings.

VI. TO KEEP EXTENSION WORKERS ABREAST OF CHANGES IN FARMING AS
A BUSINESS - FOR USE IN RELATING IMPROVED PRACTICES, NEW
TECHNIQUES, ETC., TO THE FARM BUSINESS AS A WHOLE

To keep county extension workers informed relative to farm management problems and to provide basic demonstration materials for tours and meetings in the county.

Farm records keep the extension worker abreast of current facts about farming results on certain farms, usually commercial, family-type farms.

Provides specialists and county workers in education about farming with a check on many problems that arise and judgments about their solution in the application of new technology to farming.

To obtain information that will keep farm management extension men abreast of results of current developments on individual farms throughout the State and to aid in furthering other phases of their activities.

VII. TO LOCATE FARMS SUITABLE FOR DEMONSTRATION PURPOSES -
FOR USE IN CONNECTION WITH FARM MEETINGS, FARM
MANAGEMENT TOURS, NEWS STORIES, ETC.

To discover a variety of successful farm organizations for demonstration purposes.

To keep county extension workers informed relative to farm management problems and to provide basic demonstration materials for tours and meetings in the county.

Helps in locating farmers who use their resources with financial success by having the facts about them. Many such farmers and their farms have a wide and varied use in extension educational programs; as leaders in educational programs in county or community; as demonstrations of good management for farm meetings; as cases for use in articles and news stories; as counselors and practical teachers for groups and individuals.

To establish demonstrations which can be used to teach principles of farm organization and demonstrate strong and weak points of different types of farm organization.

VIII. TO PROVIDE WORKING MATERIAL FOR RESEARCH AND TEACHING -
FOR USE IN SHORT COURSES FOR COUNTY AGENTS, VO-AG
TEACHERS, ETC., AND FOR USE BY RESIDENT INSTRUCT-
ORS AND RESEARCH WORKERS AT THE COLLEGE OF
AGRICULTURE

To provide the agricultural economics and extension staffs with current basic data relative to the profitableness of different types of farm organizations and for use: ... (b) In teaching resident farm management classes; (c) In certain research projects.

Provides current and historical data and trends and examples for use in teaching farm management principles.

Provides facts about farms for use in research not readily available in any other way.

Provides a wide variety of secondary data. In the study of many specific problems in the farm and home management field, farm records often provide secondary data that are already available to the researcher.

Provide data for making pilot type studies to try out research ideas before a larger study is initiated.

To secure records of production, income and expense on actual farms which can be used for research.

To provide information of value to other subject matter specialists and to research workers.

To provide actual data for use in college teaching for the development of the basic farm management principles.

To provide information on changes taking place in the organization, operations and earnings of farms over time.

Provide teaching and extension material.

Furnish sources of teaching material for use of extension specialist in farm management, other specialists, county agents, district supervisors, agricultural teachers, S.C.S. farm planners, and others.

Material for class work and extension.

To provide data that will serve as the basis for research in farm management.

RESEARCH OBJECTIVES - NOT CONSIDERED

To determine the production and comparative value of various soils and soil associations, and to collect other information useful in land appraisal.

To discover the optimum proportions of land, labor, and capital for a wide variety of conditions.

To obtain data on optimum inputs of capital for machinery, buildings, and land improvements.

To discover optimum land-use patterns for a wide variety of soils and other physical and economic conditions.

To provide information concerning personal factors affecting success.

To supply facts on trends in earnings and shifts in inputs and outputs and sizes and types of business.

To obtain information on leasing practices and the equitability of farm leases, father-son agreements, and profit-sharing arrangements.

To test under actual field conditions production standards developed by experiment stations and develop practical guides for adjustments.

To obtain and record data for studying, on selected case farms, the effect of changes in technology, organization, and operating procedures, etc.

To obtain some input-output data for use in farm budgeting.

To determine the income of good farmers & to study their financial progress.

To study the changes in organization and in relative importance of various cost items over a period of years.

To develop teaching material regarding the farm business.

To determine relative profitability of various farm organizations and practices.

To obtain accurate up to date information needed for developing and testing principles of farm organization and management.

To measure input-output relations, seasonal distribution of labor requirements, and other productive factor allocations.

To determine maximum profit combinations.

Develop adequate tests for practice used by farmers in planning and improving their farm operations.

To determine the more desirable and profitable types of farm organization and operation in as many of the production areas as possible.

To study the present systems of farming in the light of present and prospective future conditions in order to determine desirable shifts in organizations and operations of individual farms.

To obtain basic data on organization and operation factors as they affect earnings over a period of years.

To obtain basic data on crop and livestock practices which have proven successful under actual farm conditions.

To determine income, expenses and earnings on farms as a basis for measuring the influence of such factors as size of business, crop yields, crop selection, efficiency in the use of labor and equipment, amount and kinds of livestock produced, returns from productive livestock and overhead expenses.

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